

Professional Services in-Demand Master Statement of Work ("SOW")
Effective June 1, 2013
 to
SAP PUBLIC SERVICES, INC. ("SAP")
SOFTWARE END-USER LICENSE AGREEMENT effective September 9, 2003
 with
COUNTY OF SAN LUIS OBISPO ("Licensee")

Name: San Luis Obispo SAP Enterprise Consulting Support ("Service")

This Statement of Work ("SOW") shall be governed by and subject to the terms and conditions of Exhibit C (Professional Services Schedule) to the Software End-User License Agreement ("Agreement") between SAP and Licensee, having an Effective Date of September 9, 2003, and describes the Service, all or a portion which will be provided to Licensee in support of the SOW at the rates listed in Exhibit 2 (which is attached hereto and incorporated by reference), as authorized by Licensee by signing this SOW.

The purpose of this SOW is to establish a list of service/maintenance tasks and an estimate of cost recommended by SAP to maintain a stable system environment. It will be up to the County to decide when and in what order each task will be implemented. The County is under no obligation to issue Task Orders or to complete any of the tasks listed below. No task or payment can be started until the Licensee has issued a written Task Order and appropriation has been approved by the Licensee's Board of Supervisors.

1. Service Approach

From time to time, Licensee will require SAP Consulting Services as defined in this SOW. The SAP Consultant(s) assigned to this Service will assist in the installation and/or maintenance of SAP Software and related products.

Licensee and SAP will develop mutually agreed upon and properly approved and funded written Task Orders for the work to be completed in support of this SOW. Upon proper approvals, Task Orders will define the scope, timeline, and cost to perform specific tasks or projects utilizing the pre-approved labor rates available in this SOW. Licensee is owner of the Service and is responsible for and controls the implementation, scope, deliverables, project plan, work products, costs, resources, timeline and targeted solutions. Licensee agrees to provide appropriate Service resources, including but not limited to equipment, (access to Licensee's systems/landscapes, computer networks, printers), pertinent information, workspace, connectivity to access SAP networks and websites, and appropriate and cooperative personnel (including administrative support), to facilitate the performance of the Service. Licensee shall designate a Project Manager to work with the SAP Consultant(s) to facilitate the provision of the Service. It is mutually understood that business requirements, resources and dates may change.

Licensee is responsible for revising the estimated Project plans and requesting changes to the requirements for SAP Services. The SAP Consultant(s) may assist in planning the Project, selecting resources and quality checking the activities and progress.

The period of performance for the Service under this SOW is estimated from June 1, 2013 to May 31, 2017 ("Service Duration"). The Consultant(s) will perform Service during this time, and provide support as specified by Licensee, pursuant to individual Task Orders. This SOW and the individual Task Orders may be terminated by either party upon thirty (30) days prior written notice. Licensee agrees to provide SAP at least fourteen (14) days prior written notice of a request to withdraw the Service of any assigned Consultant when such withdrawal is less than the Estimated Hours (listed in Section 3 of this SOW).

2. Assumptions and Responsibilities

Assumptions and responsibilities will be noted in each respective Task Order.

3. Assigned SAP Consultants and Estimated Fees

Licensee wishes to engage SAP Professional Services to help support Licensee's SAP system. There are several tasks with which Licensee may require SAP's assistance which include, without limitation, upgrading Solution Manager to version 7.1, upgrading to Enhancement Pack 6, Security needs, NetWeaver/Web Services, Portal fine tuning, Workflows, building and implementing test plans and efficient patch cycles.

SAP will deliver Service by providing Consultant(s) to be located at designated Licensee facilities in San Luis Obispo County. Depending on circumstances, and once mutually agreed upon, support will be provided either remotely or on-site.

The Consultant type(s) and hours currently assigned to Licensee to perform Service, as required by Licensee, are as follows:

Initiatives/ Tasks	Estimated Start Date	Estimated Hours	Hourly Rates	Estimated Extended Labor costs
Solution Manager Consultant <ul style="list-style-type: none"> Assist with 7.1 Upgrade Assist with San Luis Obispo transition to operational excellence in the following areas: <ul style="list-style-type: none"> Central System Administration Project Management Test Management System Monitoring Business Process Monitoring E2E Root Cause Analysis IT Technical Reporting Centralized Alerting Installation Keys Early Watch Reporting Change Management (Change Request Management & Maintenance Optimizer) Service Desk Assist with Enhancement Pack upgrade 	TBD	200	K5-268/hr	\$53,600
Basis Consultant <ul style="list-style-type: none"> Assist with 7.1 Upgrade Assist with opportunities for continuous improvement of materials and delivery 	TBD	200	K5-268/hr	\$53,600
Security Consultant and Access Controls <ul style="list-style-type: none"> Assist in the preparation of a set of policies and procedures regarding SAP GRC, including appropriate security controls and practices Assist with proper compliance of the SAP environment to industry best practices and norms Assist with and identify and evaluate SOD risks generation by Access permissions Assist with the Access Control setup and maintenance 	TBD	200	K5-268/hr	\$53,600

<ul style="list-style-type: none"> • Assist with the development of security designs and security testing • Assist with the project teams and process owners on changes needed to ensure Access and Security designs are compliant • Assist with the Process Control setup and maintenance 				
Portal Consultant <ul style="list-style-type: none"> • Assist with Enhancement Pack upgrade • Assist with existing landscape needs • Assist with security requirements 	TBD	80	K5-268/hr	\$21,440
System Architect <ul style="list-style-type: none"> • Assist with 7.1 Upgrade • Assist with Enhancement Pack upgrade • Assist with IT-Process implementation across all related IT-components • Assist with defining value-based business cases for customers • Assist with defining detailed blueprint for development requirements • Assist with planning, schedule, and coordinate activities related to system development projects • Assist with developing and review scope of technological work • Assist with technical direction • Assist with system or technical development expertise to the technical resource team • Assist with and mentor technical resources concerning methods, procedures, and standards to be used during design, development, and unit testing phases of system development projects • Assist with operating system and support for system optimization • Assist with identification of opportunities for continuous improvement of materials and delivery 	TBD	240	K7-352/hr	\$84,480

BI Consultant <ul style="list-style-type: none"> Assist with Enhancement Pack upgrade Assist with developing Metrics and KPI's (Key Performance Indicators) Assist with development of various Financial/Accounting reports Business Objects spot consulting 	TBD	80	K5-268/hr	\$21,440
Assist with Spot Consulting for Optimizing County's SAP System: <ul style="list-style-type: none"> SAP- Purchasing SAP- Materials Management SAP- Financials SAP- Human Resources SAP- Payroll 	TBD	200	K5-268/hr	\$53,600
		80	K6-317/hr	\$25,360
		160	K7-352/hr	\$56,320
Technical Upgrade – Project Preparation & Upgrade Assessment requirement. Off-site GD Consultant and/or Senior Consultant <ul style="list-style-type: none"> This is a mandatory assessment of the landscape by our GD team; this will determine resource needs, scope, and timeline. 	TBD	40	GD Senior – 120/hr	\$ 4,800
		40	GD Consultant – 80/hr	\$ 3,200
Technical Upgrade - Project Manager <ul style="list-style-type: none"> Assist with Enhancement Pack upgrade Assist with Project Management oversight Assist with management of SAP Consultants Assist with status reporting 	TBD	680.0	K7 – 352/hr	\$ 239,360
Technical Upgrade - QA Manager <ul style="list-style-type: none"> Assist with Enhancement Pack upgrade Assist with Quality oversight Assist with Quality status reporting 	TBD	40.0	K7 – 352/hr	\$ 14,080
Technical Upgrade – FPA <ul style="list-style-type: none"> Assist with Enhancement Pack upgrade Assist with project financial oversight 	TBD	34.0	K3 – 190/hr	\$ 6,460
Technical Upgrade - Solution Manager Consultant <ul style="list-style-type: none"> Assist with Enhancement Pack upgrade Assist with Solution Manager usage for upgrade project 	TBD	120.0	GD Senior – 120/hr	\$ 14,400
Technical Upgrade - Test Lead <ul style="list-style-type: none"> Assist with Enhancement Pack upgrade Assist with all testing needs 	TBD	80.0	K5 – 268/hr	\$ 21,440
Technical Upgrade - Project Manager – GD <ul style="list-style-type: none"> Assist with Enhancement Pack upgrade 	TBD	360.0	GD Principal – 136/hr	\$ 48,960

<ul style="list-style-type: none"> Assist with Project Management oversight Assist with management of SAP Consultants Assist with status reporting 				
Technical Upgrade - Quality Assurance – GD <ul style="list-style-type: none"> Assist with Enhancement Pack upgrade Assist with GD Quality oversight Assist with GD Quality status reporting 	TBD	80.0	GD Consultant – 80/hr	\$ 6,400
Technical Upgrade – GD Technology Lead <ul style="list-style-type: none"> Assist with Enhancement Pack upgrade Assist with all technology needs 	TBD	400.0	GD Senior – 120/hr	\$ 48,000
Technical Upgrade - GD Technology Consultant 1 <ul style="list-style-type: none"> Assist with Enhancement Pack upgrade Assist with all technology needs 	TBD	440.0	GD Consultant – 80/hr	\$ 35,200
Technical Upgrade - GD Technology Consultant 2 <ul style="list-style-type: none"> Assist with Enhancement Pack upgrade Assist with all technology needs 	TBD	240.0	GD Consultant – 80/hr	\$ 19,200
Technical Upgrade - GD Development Lead <ul style="list-style-type: none"> Assist with Enhancement Pack upgrade Assist with all Development needs 	TBD	160.0	GD Senior – 120/hr	\$ 19,200
Technical Upgrade - GD Development Consultant 1 <ul style="list-style-type: none"> Assist with Enhancement Pack upgrade Assist with all Development needs 	TBD	40.0	GD Consultant – 80/hr	\$ 3,200
Technical Upgrade - GD Development Consultant 2 <ul style="list-style-type: none"> Assist with Enhancement Pack upgrade Assist with all Development needs 	TBD	40.0	GD Consultant – 80/hr	\$ 3,200
Technical Upgrade - GD Development Consultant 3 <ul style="list-style-type: none"> Assist with Enhancement Pack upgrade Assist with all Development needs 	TBD	40.0	GD Consultant – 80/hr	\$ 3,200
Totals Planning and Estimating Purpose Only	TBD	4,274.0	N/A	\$913,740

*Represents 2012 Consultant K-rates. For planning and estimating purposes only.

Note: This SOW does not create an appropriation or purchase order. The above tasks represent recommendations by SAP and Licensee is not obligated to obtain any of the above services. Each task or set of tasks will need to be individually addressed and appropriation adjustments will need to be approved by the Board of Supervisors through Licensee's normal process. No work should begin nor can any payment be made until the appropriation for a particular task or set of tasks has been approved by Licensee.

Rates, hours and dollars can be adjusted upon SAP and Licensee's mutual agreement to better accommodate Service objectives and schedule. Technical Upgrade resource estimates and hour estimates are based on prior work estimates from other customers and represents SAP's best effort estimates.

Upgrade requirements for Licensee are not known and actual resources and hour estimates are not known to SAP.

The above hourly rates are applicable to Service commencing in June 1, 2013 shall remain fixed through May 31, 2015. Beginning June 1, 2015 and every year anniversary thereafter, hourly K-rates shall be adjusted upward according to any percentage rise in the Consumer Price Index (CPI), as that term is hereafter defined. The adjustment shall be by a percentage equal to the percentage increase of the CPI between the previous April published CPI and the corresponding CPI for the same period twelve months previous. If there is a decrease or no change in the CPI, then the preceding year's rent will not be adjusted. Annual CPI adjustment shall not exceed five percent (5%) annually. The term A Consumer Price Index@ refers to the Consumer Price Index for All Urban Consumers, All Items Index (CPI-U), Los Angeles - Riverside - Orange County Statistical Area, California, based on the period of 1982-84 = 100 as published by the Bureau of Labor Statistics of the U.S. Department of Labor. The index for the adjustment date shall be the one reported in the U.S. Department of Labor's most comprehensive official index then in use and most nearly answering the foregoing description of the index to be used. If it is calculated from a base other than the base period (1982-84=100), the base figure used for calculating the adjustment percentage shall first be converted under a formula supplied by the Bureau. If the described index is no longer published, another generally recognized as authoritative shall be substituted by agreement of Licensee and SAP. If Licensee and SAP are unable to agree within 30 days after demand by either party, on application of either party the substitute index shall be selected by the chief officer of the San Francisco regional office of the Bureau of Labor Statistics or its successor. SAP shall provide written notice to Licensee of adjusted hourly K-rates on an annual basis. If the hourly K-rates are not adjusted at the time for said adjustment as provided herein, Licensee shall continue to pay invoices at the fees established for the prior period until such adjustment is made, at which time Licensee shall promptly pay to SAP any deficiency and shall henceforth pay at the adjusted hourly K-rates.

Should the information provided by Licensee be inaccurate or should SAP gain additional information during the Service, the estimated fees, timeline and scope may be subject to change.

The prices herein are based upon a 40-hour work week for core Service team members, including those from Licensee. However, a Service of this nature may have "peak" periods where the Service team will be expected to work outside normal business hours. Licensee will continue to be responsible for maintaining the existing system and also for staffing the mutually agreed upon Task Orders appropriately.

4. Compensation of SAP

The Service provided by SAP will be invoiced monthly, on a time and travel related expense basis. The invoice will include a summary of the work performed, the name of each Consultant and Consultant category (.e.g., K1), hours charged by each Consultant, and applicable travel related expenses. SAP may issue separate invoices for time and travel related expenses.

Travel related expenses including mileage reimbursement are to be reimbursed according to the Licensee's travel reimbursement policies and shall follow Licensee guidelines as defined in the most current "2012 San Luis Obispo Travel Policy and Rates", as amended from time to time during the term of this SOW. This appendix is available by clicking on the Adobe Acrobat icon below or downloading the file from the County Purchasing web site located at the following URL:

<http://www.slocounty.ca.gov/Assets/GS/Purchasing/Bids+RFP+Proposals/1175+RFP+Appendix+G.pdf>

All payments for undisputed amounts are due 30 days from Licensee's receipt of SAP's invoice.

Any invoice discrepancies and/or disputes will be documented by Licensee and forwarded to SAP within 14 days of the receipt of the invoice.

SAP will mail invoices monthly to the following Licensee billing address:

County of San Luis Obispo
Mr. James Hamilton
Assistant Auditor-Controller
County Government Center

1087 Santa Rosa Street
San Luis Obispo, CA 93408

Notwithstanding anything to the contrary, Licensee acknowledges and agrees that without limitation, SAP's right to stop its performance of the Service at any time during the period where payment for undisputed services remains outstanding.

SAP contact for invoice questions: Tom Rocco, 619-275-2208, tom.rocco@sap.com

Licensee contact for payment questions: Daniel Milei, (805) 781-5072, dmilei@co.slo.ca.us

5. Non-Solicitation/No-Hire

Neither party shall solicit or hire, in any capacity whatsoever, any of the other party's employees involved in this SOW during the term of this SOW and for a period of six (6) months from the termination hereof, without the express written consent of the other party.

6. Changes

Any change to this SOW shall be subject to mutual written agreement of the parties and shall be made in accordance with Exhibit 3 hereto, Change Order, which is hereby incorporated by reference. SAP shall not commence performance of Service on any such change unless and until the change has been agreed to in writing by both parties.

7. Exhibits

The following exhibits are made a part of this SOW and incorporated herein by reference:

- Exhibit 1 = Service Definition
- Exhibit 2 = Service Rate Schedule
- Exhibit 3 = Service Change Order Procedure

Exhibit 1
to the Master Statement of Work ("SOW")
dated June 1, 2013
to the
Professional Services Schedule effective September 9, 2003 ("Agreement")
between
SAP Public Services, Inc. ("SAP")
and
County of San Luis Obispo ("Licensee")

Service Definition

This Exhibit 1 to the SOW addresses the utilization of SAP Consulting Services according to the Service. It is mutually understood that business requirements, resources and dates may change subject to the applicable terms of this SOW and that any such material change requested by Licensee or that results from Licensee's inability to provide agreed upon resources and/or to perform its other responsibilities as set forth herein, or that results from Licensee errors or omissions, may result in a Change Order in accordance with the Change Order Procedure described in Exhibit 3 to this SOW.

It is understood by SAP and the Licensee that any material changes to scope of this SOW will be addressed through a formal change order process. Material changes are those which specifically will impact budget, scope, timeline or resources.

2.0 Service Approach

All Consultants will be approved by Licensee at least two weeks prior to the estimated start date shown in Section 3 of this SOW.

2.1 Project Timelines & Scope

Not included in this Master SOW. Project timelines and scope are to be determined and detailed for each respective Task Order.

2.2 Project Toolset

All supporting documentation work product will be developed for industry standard Microsoft Windows-based PCs using appropriate (as reasonably determined by SAP) Microsoft Office applications (Word, Excel, and PowerPoint) or other mutually agreeable documentation development process and/or application.

Licensee will support the use of the SAP team laptops on its network or Licensee will provide PCs with the Microsoft Office Suite and e-mail capability for the Project team.

2.3 Project Organization

Licensee agrees to provide appropriate Service resources as necessary to facilitate SAP's performance of the Service.

Licensee will allocate the following described personnel to the Service with appropriate knowledge of the indicated area and the skills to perform the Licensee tasks, and any additional personnel that may be necessary for Licensee to perform its obligations under the implementation work plan. Unless otherwise stated in Section 2 all resources will be considered full time equivalents.

Logistics:

Primary Workspace:

County of San Luis Obispo offices and remote locations.

Workspace Resources:

Licensee will provide a working environment and facilities adequate for SAP to perform their assigned duties. This includes, but is not limited to, adequate conference rooms, cubicle space, and telephone access.

Service team members will be given access to the Licensee's SAP environment. Licensee shall provide secure dial-in and/or direct access to the Licensee networks as necessary. SAP resources agree to use of County systems and network, including the SAP environment, according to Licensee's security policies.

SAP will be provided with full access to all of Licensee's facilities necessary to deliver the Service, including all necessary identification material (badges, cards, etc.), subject to the terms and conditions of the Agreement. This may include full access to such buildings and systems during and after normal business hours, on weekends, and on holidays. Limitation of SAP access during these times may reduce SAP's ability to maintain the proposed schedule.

During the Service Preparation Phase, the SAP and Licensee Project Managers will agree upon a project work week for each full time Consultant. Such work week will be defined in one of the following categories:

1. 3-4-5 (3 nights/4 days at Licensee's location; 5th day at remote location).
2. Four days (40 hours) at Licensee's location.
3. Five days at Licensee's location.

Other, as mutually agreed prior to the Project or as the Project progresses.

Note: The County will not be charged for the time needed to reach County facilities and/or return to the Consultant's place of origin ("travel time").

Exhibit 2
to the Master Statement of Work ("SOW")
dated June 1, 2013
to the
Professional Services Agreement effective September 9, 2003 ("Agreement")
between
SAP Public Services, Inc. ("SAP")
and
County of San Luis Obispo ("Licensee")

Service Rate Schedule

The following rate categories have been defined for SAP consultants:

- K1 = Junior Consultant
- K2 = Consultant I
- K3 = Consultant II
- K4 = Consultant III
- K5 = Senior Consultant/Management Consultant
- K6 = Lead Consultant/Project Implementation Manager/Implementation Specialist
- K7 = Developer / Consulting Manager / Platinum or Senior Consultant / Global Support Manager / Senior Project Implementation Manager / Industry Specialist
- K8 = Senior Developer / Consulting Director / Consulting Vice President

The rates applicable to each category in US dollars are as follows:

	GD	Sr GD	K1	K2	K3	K4	K5	K6	K7	K8
Hourly Rate (1)	80	120	135	160	190	221	268	317	352	400
Off-Hours Hourly Rate (2)	-	-	200	240	285	325	390	460	520	600
On-Call Hourly Rates (3)	-	-	135	135	135	135	135	135	135	135

Travel Related Expenses: Per County reimbursement policy

- (1) Hourly rates are applied to consulting Services provided Monday through Friday, 6:00 a.m. - 8:00 p.m., excluding holidays as observed by SAP and the County. For work at Licensee's premises, a minimum charge amounting to four (4) hours for the given Consultant is billable.
- (2) The following constitutes Off-Hours:
 - SAP observed Holidays
 - County observed Holidays
 - Weekends: 8:00 p.m. Friday until 6:00 a.m. Monday
 - Weekdays: 8:00 p.m. until 6:00 a.m.
- (3) On-Call Service is a pre-arranged Service by which Licensee places a request to have a Consultant accessible for a specified time period. During the period for which a Consultant is accessible, On-Call Rates will be charged. If a Consultant must actually perform Services during the On-Call period, the Services will be billed at the appropriate Hourly Rate or Off-Hours Hourly Rate, instead of the On-Call rate. This Service will be provided remotely via a telecommunications link.
- (4) Remote Services can be requested via SAP's toll-free number and are provided via a telecommunications link during business hours (Monday through Friday, 6:00 a.m. – 8:00 p.m.). Remote Services will be provided at the rates set forth above.

(5) Travel related expenses incurred by consultants will be reimbursed according to the County's travel reimbursement policies and shall follow County guidelines as defined in the most current "2012 San Luis Obispo Travel Policy and Rates", as amended from time to time during the term of this SOW. This appendix is available by clicking on the Adobe Acrobat icon below or downloading the file from the County Purchasing web site located at the following URL:

<http://www.slocounty.ca.gov/Assets/GS/Purchasing/Bids+RFPs/1175+RFP+Appendix+G.pdf>

- (6) If Services are pre-arranged and Licensee cancels with less than two (2) business days' notice, Licensee will be billed for eight (8) hours at the applicable K-Rate.
- (7) The above hourly rates are applicable to Services commencing in June 1, 2013 shall remain fixed through May 31, 2015. Beginning June 1, 2015 and every year anniversary thereafter, hourly K-rates shall be adjusted upward according to any percentage rise in the Consumer Price Index (CPI), as defined above.

Exhibit 3
to the Master Statement of Work ("SOW")
dated June 1, 2013
to the
Professional Services Agreement effective September 9, 2003 ("Agreement")
between
SAP Public Services, Inc. ("SAP")
and
County of San Luis Obispo ("Licensee")

Service Change Order Procedure

Any change to this SOW must be agreed to, in writing, by both parties. The following procedure (whether requested by Licensee or SAP) will be used to control all changes. All Requests For Change ("RFC") to the SOW must be made in writing and shall be submitted by the appropriate Project Manager. Each request should contain the following information:

- The requested change;
- The impact, if any, on the existing work product;
- Estimated impact, if any, on Project schedule; and
- Estimated change, if any, in consulting fees.

The Project Manager shall review and accept or reject the RFC. If rejected, the RFC shall be returned to the submitting party with written reasons for rejection and, as appropriate, any alternatives.

All approved RFC's will be incorporated into the Change Order to this SOW. SAP will not perform any Services outside of the SOW until the RFC has been signed.

1. Describe the requested change:

2. Define the impact, if any, on existing work product:

3. Define additional work product required as a result of the requested change, if any:

4. Define the impact, if any, to the existing Project schedule. Provide an updated Project schedule, if appropriate.

5. Provide an updated work product and payment schedule, if appropriate.

The effective Date of this Change Order is _____.

Accepted By:
SAP Public Services, Inc.
(SAP)

By: _____

Print name: _____

Title: _____

Date: _____

Accepted By:
County of San Luis Obispo
(Licensee)

By: _____

Print name: _____

Title: _____

Date: _____